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June 24, 2009

Ms. Peggy Jenkins
Research Division, Fifth Floor
California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, CA 95812

Subject: Written comments on Final Regulation Order for Limiting Ozone Emissions from Indoor Cleaning Devices, Subchapter 8.7 Indoor Air Cleaning Devices

Dear Ms. Jenkins:

Our company, Kaz Inc. is the manufacturer of the Honeywell brand of portable air purifiers and is a member of the AHAM (Association of Home Appliance Manufacturers) Air Cleaner Certification Program. We would like to thank you for giving us the opportunity to express our concerns and ask questions at the Public Workshop and Webcast held on June 12, 2009. We also would like to express our appreciation that the ARB is willing to consider possible amendments due to unplanned difficulties that manufacturers have experienced or may potentially experience specific to the implementation of and adherence to the new regulation.

As you know, we have been extremely active in getting our Honeywell air purification units tested and certified to the new regulation requirements. We feel certain that all of our models will fall well below the 50ppb emission limits and will secure certification without issue. We are confident that we can fully comply with the testing and certification provisions of the article.

At this time, our concerns do not include our ability to meet the testing and certification requirements by the current timeline of October 18, 2010. We are concerned, however, with the labeling requirements.

Once our units are certified in the program, we immediately begin the process of getting new production units labeled. We start with ensuring that the ARB adhesive label is applied to the existing inventory of product boxes. We then initiate the artwork changes so that we can start producing new packaging with the label information printed directly on the box. Once we run out of existing boxes, we will change over to the new packaging with the ARB notification printed directly on the boxes. It is in our best interest to make this transition to printed boxes as quickly as possible.

The current regulation states in Section 94802, Standards for Indoor Air Cleaning Devices, that all product must be labeled as required in Section 94806 within 24 months after the effective date of the regulation, or October 18, 2010.

Even though we started the process of getting our units tested and/or certified fairly soon after the regulation became effective, there are factors outside of our control that could potentially prohibit us from being able to have all of our units labeled and at retail by the October 18, 2010 required date. Primarily, the economy has caused a slowdown at retail resulting in a build-up of inventory within the retailer's distribution chain. Due to the unprecedented U.S. economic downturn during the past ten months, retailers are experiencing slower sales, negatively impacting sell-through of existing air purification inventory. And, depending on how efficient the various retailers are at inventory management, some have responded better than others in controlling their inventory levels. We have had reports of some retailers that are sitting on an excess of 1.5 to 2 years of inventory because their turns have virtually halted as consumers limit spending to household necessities.

Unfortunately, air purification devices have not been considered a household necessity by the majority of consumers and the industry has been hit hard by the recession. Because of this situation, it is certain that there are existing units in the retailer's inventory that have not been labeled and potentially may not be labeled by the legislative deadline, even though the manufacturer has done everything within their power to control labeling on their end. What could result is the possibility that retailers will choose to ship product back to the manufacturer, at the manufacturer's expense, because the product doesn't completely comply with the new requirements, even if the product is an ARB certified product. If this were to happen, we would encounter severe hardship to a business that has already been negatively impacted by the economy.

It is because of the above explained situation, that we are asking the ARB to consider an amendment to the regulation. If a second testing lab is approved within the next month, we feel certain that we will be able to get all of our remaining units tested and certified. Therefore, we would like to ask the ARB to extend the *labeling requirement only* by a period of 18 months beyond the current October 18, 2010 date to a new date of April 18, 2012. The extension could potentially only be granted to those units that have already been certified, which is a list that could easily be referenced when the ARB is conducting compliance checks at retail. This timing extension should allow ample time for the non-labeled inventory to work through the distribution chain.

Our second point of concern is that the regulation states that adhesive labels can only be utilized until April 1, 2011. After this date, the label must be printed on the product packaging.

We would like to request that this portion of the labeling requirement be adjusted to extend the timing of the use of a label (vs. printing). This would enable us to utilize existing packaging inventory and not be burdened with unnecessary financial hardship and waste. We believe that this still meets the intent of the new legislation, whether it is a permanent adhesive label applied to the package or a direct print notification on the package.

In summary, as stated above, we anticipate that every unit that we manufacture falls well below the minimum ozone emission output limit and have no doubt that our products will be ARB certified without issue. We do have significant concerns that we could face additional expenses, beyond the high testing costs we are already incurring, if some concession on the labeling requirement is not granted. We fully intend to adhere to the new regulation requirements, and have certainly demonstrated our willingness and ability to comply with the efforts in testing and certification that have been conducted thus far. Our concern lies in the areas that are outside of our ability to control, and the leading indicators tell us that inventory sell-through could be an issue, resulting in our inability to ensure that every unit on the retail shelf is labeled, even if we've done all we can to comply.

We'd like to thank the ARB again for the opportunity to submit these concerns at the June 12 workshop and for the opportunity to express these concerns in writing.

Thank you in advance for your consideration of these requested amendments.

Sincerely,

Cheri Wright
Director of Marketing
Kaz, Inc.